

2014 -- S 2478

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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2014

A N A C T

AUTHORIZING THE TOWN OF NORTH KINGSTOWN TO ISSUE BONDS AND NOTES TO AN AMOUNT NOT EXCEEDING \$6,600,000 TO FINANCE THE CONSTRUCTION OF SEWERS AND SEWERAGE SYSTEMS IN THE TOWN, PRIMARILY FOR POST ROAD NORTH, INCLUDING THE ACQUISITION OF LAND THEREFOR AND AUTHORIZING THE IMPOSITION OF SEWER ASSESSMENTS AND USER FEES

Introduced By: Senators Sheehan, and Hodgson

Date Introduced: February 27, 2014

Referred To: Senate Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. [Additional issuance of bonds.](#)

2 The Town of North Kingstown is hereby empowered and authorized, in addition to
3 authority previously granted pursuant to chapters 25 and 37 of the Public Laws of 2009 and
4 chapters 263 and 291 of the Public Laws of 2010, to issue bonds to an amount not exceeding six
5 million six hundred thousand dollars (\$6,600,000) from time to time under its corporate name and
6 seal. The bonds of each issue may be issued in the form of serial bonds or term bonds or a
7 combination thereof and shall be payable either by maturity of principal in the case of serial
8 bonds or by mandatory serial redemption in the case of term bonds, in annual installments of
9 principal, the first installment to be not later than three (3) years and the last installment not later
10 than thirty (30) years after the date of the bonds. The bonds shall be signed by the town director
11 of finance and by the president of the town council and shall be issued and sold in such amounts
12 as the town council may authorize. The manner of sale, denominations, maturities, principal
13 amounts, interest rates and other terms, conditions, and details of any bonds or notes issued under
14 this act may be fixed by proceedings of the town council authorizing the issue or by separate
15 resolution of the town council or, to the extent provisions for these matters are not so made, they
16 may be fixed by the officers authorized to sign the bonds or notes.

17 SECTION 2. [Proceeds of the bonds.](#) -- The proceeds derived from the sale of the bonds

1 shall be delivered to the director of finance, and such proceeds, exclusive of premiums and
2 accrued interest, shall be expended:

3 (A) for the construction of sewers and sewerage systems, including, but not limited to, lift
4 stations and pumping stations and the acquisitions, by purchase or condemnation, of land and
5 interests therein necessary in connection with the construction thereof in the town of North
6 Kingstown, primarily for Post Road North as that area is designated in the town's Wastewater
7 Management Facilities Plan as the same may exist from time to time.

8 (B) in payment of the principal or of interest on temporary notes issued under section 3;
9 or

10 (C) in repayment of advances under section 4.

11 The particular facilities to be provided in any area of the town from the proceeds of the
12 bonds and notes authorized hereunder, as well as the proceeds of bonds and notes issued pursuant
13 to chapters 25 and 37 of the Public Laws of 2009 and chapters 263 and 291 of the Public Laws of
14 2010, shall be determined in accordance with priorities determined by the town council from time
15 to time. No purchaser of any bonds or notes under this act shall be in any way responsible for the
16 proper application of the proceeds derived from the sale thereof. The proceeds of bonds or notes
17 issued under this act, any applicable federal or state assistance, and the other moneys referred to
18 in section 6 shall be deemed appropriated for the purposes of this act without further action than
19 that required by this act.

20 SECTION 3. [Temporary notes.](#)

21 The town council may by resolution authorize the issuance from time to time of interest-
22 bearing or discounted notes in anticipation of the issue of bonds or in anticipation of the receipt of
23 federal or state aid for the purposes of this act. The amount of original notes issued in anticipation
24 of bonds may not exceed the amount of bonds that may be issued under this act and the amount of
25 original notes issued in anticipation of federal or state aid as estimated by the director of finance.
26 Temporary notes issued hereunder shall be signed by the director of finance and by the president
27 of the town council and shall be payable within five (5) years from their respective dates, but the
28 principal of, and interest on, notes issued for a shorter period may be renewed or paid from time
29 to time by the issue of other notes hereunder; provided the period from the date of an original
30 note to the maturity of any note issued to renew or pay the same debt or the interest thereon shall
31 not exceed five (5) years.

32 SECTION 4. [Advances from general fund.](#) -- Pending any authorization or issue of
33 bonds hereunder, or pending or in lieu of any authorization or issue of notes hereunder, the
34 director of finance, with the approval of the town council, may, to the extent that bonds or notes

1 may be issued hereunder, apply funds in the general fund of the town to the purposes specified in
2 section 2, such advances to be repaid with interest from the proceeds of bonds or notes
3 subsequently issued or from the proceeds of applicable federal or state assistance or from other
4 available funds.

5 SECTION 5. [Investment of money.](#)

6 Any proceeds of bonds or notes issued hereunder, or of any applicable federal or state
7 assistance, pending their expenditure, may be deposited or invested by the director of finance in
8 demand deposits, time deposits, or savings deposits in banks that are members of the Federal
9 Deposit Insurance Corporation, or in obligations issued or guaranteed by the United States of
10 America, or by any agency or instrumentality thereof, or as may be provided in any other
11 applicable law of the state of Rhode Island.

12 SECTION 6. [Expenditures.](#)

13 Any accrued interest received upon the sale of bonds or notes hereunder shall be applied
14 to the payment of the first interest due thereon. Any premiums arising from the sale of bonds or
15 notes hereunder shall, in the discretion of the director of finance, be applied to the cost of
16 preparing, issuing, and marketing bonds or notes hereunder, to the extent not otherwise provided,
17 to the payment of the principal of or interest on bonds or notes issued hereunder or to any one (1)
18 or more of the foregoing. The cost of preparing, issuing, and marketing bonds or notes hereunder
19 may also, in the discretion of the director of finance, be met from bond or note proceeds exclusive
20 of premium and accrued interest or from other moneys available therefore. Any balance of bond
21 or note proceeds remaining after payment of the cost of preparing, issuing, and marketing bonds
22 or notes hereunder shall be applied to the payment of the principal of or interest on bonds or notes
23 issued hereunder. To the extent permitted by applicable federal laws, any earnings or net profit
24 realized from the deposit or investment of funds hereunder may, upon receipt, be added to and
25 dealt with as part of the revenues of the town from property taxes. In exercising any discretion
26 under this section, the director of finance shall be governed by any instructions adopted by
27 resolution of the town council.

28 SECTION 7. [Security for bonds and notes.](#)

29 All bonds and notes issued under this act, and the debts evidenced thereby, shall be
30 obligatory on the town in the same manner and to the same extent as other debts lawfully
31 contracted by it and shall be excepted from the operation of §45-12-2. No such obligation shall at
32 any time be included in the debt of the town for the purpose of ascertaining its borrowing
33 capacity. The town shall annually appropriate a sum sufficient to pay the principal and interest
34 coming due within the year on bonds and notes issued hereunder to the extent that moneys

1 therefor are not otherwise provided. If such sum is not appropriated, it shall nevertheless be added
2 to the annual tax levy. In order to provide such sum in each year, and notwithstanding any
3 provision of law to the contrary, all taxable property in the town shall be subject to ad valorem
4 taxation by the town without limitation as to rate or amount.

5 SECTION 8. [Validity of bonds or notes.](#)

6 Any bonds or notes issued under the provisions of this act, if properly executed by
7 officers of the town in office on the date of execution, shall be valid and binding according to
8 their terms notwithstanding that before the delivery thereof and payment therefor any or all of
9 such officers shall for any reason have ceased to hold office.

10 SECTION 9. [Federal or state advances or grant.](#)

11 The town, acting by resolution of its town council, is authorized to apply for, contract for,
12 and expend any federal or state advances or other grants of assistance that may be available for
13 the purposes of this act, and any such expenditure may be in addition to other moneys provided in
14 this act. To the extent of any inconsistency between any law of this state and any federal law or
15 regulation, the latter shall prevail. Federal and state advances, with interest where applicable,
16 whether contracted for prior to or after the effective date of this act, may be repaid as project
17 costs under section 2.

18 SECTION 10. [Conditions precedent to issuance.](#)

19 Bonds and notes may be issued under this act without obtaining approval of any
20 governmental agency, or the taking of any proceedings, or the happening of any conditions except
21 as specifically required by this act for such issue. In carrying out any project financed in whole
22 or in part under this act, including where applicable the condemnation of any land or interest in
23 land, that shall be authorized hereby and carried out in the manner described by chapter 1 of title
24 24 as it may be amended from time to time, and in the levy and collection of assessments or other
25 charges permitted by law on account of any such project, all action shall be taken that is
26 necessary to meet constitutional requirements whether or not such action is otherwise required by
27 statute, but the validity of bonds and notes issued hereunder shall in no way depend upon the
28 validity or occurrence of such action.

29 SECTION 11. [Assessments.](#)

30 (A) The town council shall cause the cost of constructing, operating, and maintaining the
31 sewer system to be paid by assessments and annual charges as set forth herein. The town council
32 shall assess the costs (including financing costs and debt service on bonds or notes issued
33 hereunder) of any project or projects financed under this act that it has determined will be paid
34 from assessments, upon the owners of the estates that abut that portion of any street or highway in

1 or along which any sewer constituting any portion of such project or projects may be located or
2 that otherwise specially benefit from such project or projects. Any such property owned by the
3 state of Rhode Island shall be subject to assessments and charges under this act in the same
4 manner and to the same extent as any other such property. Such assessment may be made
5 separately for each project separately identified by the town council or for several projects taken
6 together, including, but not limited to, those financed pursuant to chapters 25 and 37 of the Public
7 Laws of 2009 and/or chapters 263 and 291 of the Public Laws of 2010, as the town council may
8 deem equitable.

9 (B) Such assessments shall be just and equitable and shall be based upon frontage or area
10 within a specified reasonable distance from the street or highway or other equitable method or
11 combination of methods as may be determined by the town council. The town council shall not
12 make any particular assessment in excess of the benefit conferred and may make reasonable
13 adjustments or deferments of such assessments against estates having a frontage upon more than
14 one street or against estates that for any reason are unable to derive the normal benefits from the
15 system. The town council may adopt ordinances governing the making of such assessments and
16 the collection thereof. A copy of such assessments shall be recorded with the collector of taxes as
17 a public record. From the date of delivery to the collector of taxes the assessments and interest
18 accruing thereon shall constitute a lien upon the respective estates on a parity with the lien for
19 town taxes until paid in full. The collector of taxes of the town shall have the same rights to
20 enforce such liens against the estates and to collect such assessments and interest from the owners
21 as he has in the case of town taxes.

22 SECTION 12. [Sewer service charges.](#)

23 (A) The town council may fix and revise from time to time a schedule of sewer service
24 charges for the use of sewer facilities and services furnished under this act for the purpose of
25 paying the cost of maintaining, repairing, and operating such facilities, and any other expenses
26 not otherwise provided for that may arise under this act, to the extent that monies for the
27 foregoing purposes are not otherwise provided. Such charges shall be just and equitable and may
28 be based upon the quantity of water used; or units assessed; or the number and size of sewer
29 connections made; or the number and kind of plumbing fixtures installed on the estate; or upon
30 the number or average number of persons residing or working in or otherwise connected
31 therewith; or upon any other factor affecting the use of or the value of the facilities and services
32 furnished; or upon any combination of such factors. The town may provide by ordinance for the
33 making and collection of such sewer service charges.

34 (B) Delinquent service charges together with any interest and charges accruing thereon

1 shall constitute a lien upon real estate on a parity with the lien for town taxes. The collector of
2 taxes shall have the same rights to enforce such liens and to collect the service charges and
3 interest thereon as he has in the case of town taxes.

4 SECTION 13. Appropriation of charges and assessments.

5 The receipts from sewer service charges and assessments, including any net earning and
6 profits realized from the deposit or investment thereof, shall be deemed appropriated for the
7 purposes set forth in this act, without the necessity of any further action. Except as provided in
8 this act and in chapters 25 and 37 of the Public Laws of 2009 and/or chapters 263 and 291 of the
9 Public Laws of 2010, the assessment and collection of sewer service charges and assessments
10 shall be governed by ordinances adopted by the town council and applicable to such charges and
11 assessments in the town.

12 SECTION 14. Other bonds for similar purposes, instruments, documents and agreements.

13 The bond issue authorized by this act may be consolidated for the purposes of issuance
14 with any other bond issue of the town heretofore or hereafter authorized; provided that,
15 notwithstanding any such consolidation, the proceeds from the sale of the bonds authorized by
16 this act shall be expended for the purposes set forth above.

17 The assessments and charges for the issuance and debt service costs of the bonds
18 authorized by this act may be consolidated with those assessed and charged for other bonds
19 issued for the town's of sewers and sewerage systems heretofore or hereafter authorized.

20 The town director of finance and the president of the town council, on behalf of the town,
21 are hereby authorized to execute such agreements, instruments, documents, or other papers as
22 either of them deem necessary or desirable to carry out the intent of this act including, but not
23 limited to, those pursuant to chapter 24.5 of title 45 and chapter 12.2 of title 46 as amended, and
24 are also authorized to take all actions and execute all documents or agreements necessary to
25 comply with federal tax and securities laws, which documents or agreements may have a term
26 coextensive with the maturity of the bonds authorized hereby.

27 SECTION 15. The question of the approval of this act shall be submitted to the electors
28 of the town at a general or special election that is not a primary on such date as the town council
29 shall designate. The question shall be submitted in substantially the following form:

30 "Shall an act, passed at the 2014 session of the general assembly, entitled 'An act
31 authorizing the Town of North Kingstown to issue bonds and notes to an amount not exceeding
32 \$6,600,000 to finance the construction of sewers and sewerage systems in the town, primarily for
33 Post Road North, including the acquisition of land therefor and authorizing the imposition of
34 sewer assessments and user fees be approved?" and the warning for the election shall contain the

1 question to be submitted. From the time the election is warned and until it is held, it shall be the
2 duty of the town clerk to keep a copy of the act available at his or her office for public inspection,
3 but the validity of the election shall not be affected by this requirement.

4 SECTION 16. This section and the foregoing section shall take effect upon the passage
5 of this act. The remainder of this act shall take effect upon the approval of this act by a majority
6 of those voting on the question at the election prescribed by the foregoing section.

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